Performance-Based Services Acquisition (PBSA)

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Overview

- PBSA Policy
- PBSA Exemptions
- PBSA Policy Changes
- Benefits of PBSA
- PBSA Key Elements
- PBSA Package
- Performance Statement of Work (PSOW)
- Service Delivery Schedule (SDS)
- Incentives
- Quality Assurance Surveillance Plan (QASP)
- Responsibilities
- PBSA Process
- DD Form 350 Coding
- Useful Web Sites

PBSA Policy

- FAR Part 37, Service Contracting
- DoD Guidebook for Performance-Based Services Acquisition (PBSA) dated 02 Jan 01
- AFI 63-124 dated 01 Apr 99, Performance-Based Service Contracts (PBSC) and Supplement 1 dated 19 Jul 99
- SAF/AQC letter dated 20 Jul 00

PBSA Policy
(cont'd)

- FAR 37.102 mandates use of "performance-based contracting methods to the maximum extent practicable" when acquiring services and establishes order of precedence:
  - FFP performance-based contract/order
  - Performance-based contract/order that is not FFP
  - Contract/order that is not performance-based
- SAF/AQC letter dated 20 Jul 00 mandates compliance "with AFI 63-124 and use of PBSA strategies and methodologies for all services contracts to the maximum extent practicable" and directs Air Force to achieve 50% PBSA contracts by 2005.

PBSA Exemptions

FAR 37 and AFI 63-124 exempt:

- **Cable television subscription contracts**
- **Utility and energy service contracts**
- **Construction and Architect-Engineering services (IAW FAR 36)**
- **Education service agreements with established schools, colleges, universities, or other educational institutions**
- **Contracts solely for equipment leases**
- **Short duration services incidental to supply purchases (e.g. training)**
- **Personal services contracts**
- **Others (see AFI 63-124, Attachment 2)**

PBSA Exemptions (cont'd)

"Other" exceptions in AFI 63-124, Attachment 2 include Recurring and Non-Recurring Service Contracts that are not commercial-based and:

- not estimated to exceed $250K annually, do not have a standardized SOW, and Functional Director and SCCO have determined, in writing, that requirements of AFI 63-124 and FAR 37.6 cannot be met
- estimated to exceed $250K annually, do not have a standardized SOW, and MAJCOM Functional Director and MAJCOM Director of Contracting have determined, in writing, that requirements of AFI 63-124 and FAR 37.6 cannot be met

PBSA Exemptions
(cont'd)

- has a MAJCOM standardized SOW, and MAJCOM Functional Director and MAJCOM Director of Contracting have determined, in writing, that requirements of AFI 63-124 and FAR 37.6 cannot be met
- has a HQ-USAF standardized SOW, and USAF Functional Director and Deputy Assistant Secretary (Contracting) have determined, in writing, that requirements of AFI 63-124 and FAR 37.6 cannot be met

PBSA Policy Changes

- Acronym will change from “PBSC” to “PBSA” to emphasize team approach ILO contracting approach
- Will suggest methods of surveillance
- Will allow more flexibility in forming BRAG
- QA Program Coordinator will be member of or advisor to BRAG
- More QA documentation will be required
- Will recommend QA personnel train customers

Benefits of PBSA

- Better prices and performance because contractors have more flexibility to use innovative processes
- Clearly defines performance requirements
- Requires less surveillance
- Description of work in commercial terms may attract more commercial firms

PBSA Key Elements

- Outcome-based requirements document
- Clear, consistent, unambiguous, measurable performance standards
- Surveillance over contractor's inspection system, not duplication of it
- Financial incentives
- Advanced measurement techniques

PBSA Package

- Purchase Request and attachments
- Performance Statement of Work (PSOW), or Statement of Objectives (SOO), that includes Service Delivery Summary (SDS)
- Quality Assurance Surveillance Plan (QASP)
- Quality Assurance Personnel (QAP) appointment letter

Performance Statement of Work (PSOW)

- PSOW structure/format
  - Description of Services
    - Utilize commercial terms and conditions to maximum extent practicable
    - Utilize market research to identify availability in the marketplace
    - When citing instructions, publications, etc., reference specific paragraph or chapter, rather than entire publication
  - Government Furnished Property
  - General Information
  - Appendices
    - Projected workload data obtained from historical data
  - Service Delivery Summary (SDS)

PSOW
(cont'd)

- Statement of Objectives (SOO) satisfies requirement for PSOW
  - Central contracting primarily uses SOO for A&AS; Operational contracting uses PSOW
- Shall include measurable performance objectives describing the work in mission-related terms and performance thresholds (standards) that determine the acceptable level of quality of each objective

Service Delivery Schedule (SDS)

- Captures mission requirements at the highest level that can be effectively measured
- Contains only items considered most important for successful mission accomplishment
- Contains clear, concise, and measurable performance objectives described as desired end results – not tasks
- Contains PSOW paragraph references
- Contains performance thresholds (specific standards)
- If A&AS, SDS is comprised primarily of Data Item Descriptions (DIDs) and specifies 100% inspection as method of surveillance

Incentives

- Exemplary performance shall be incentivized
- Focus on areas of risk or importance
- Sometimes only incentive available may be contractor's reaccomplishing the service at no additional cost
- Example: T.O. support performed error-free more than 95% of time

Quality Assurance Surveillance Plan (QASP)

- **Every PBSA $100K or more (including A&AS) must have a QASP**
- **QASP identifies how, how often, and who accomplishes:**
  - Measurement and reporting of contractor's performance IAW thresholds/ objectives in the SDS
  - Inspection and acceptance of services
- QASP focuses on performance and cost risks of service
- **QASP should allow contractor to perform surveillance of services as part of quality control management system**

Responsibilities

- Senior Center Contracting Official (SCCO)
- Chief of Contracting Office (COCO)
- Functional Area Coordinator (FAC)
- Business Requirements and Advisory Group (BRAG)
- Contracting Officer
- Quality Assurance Personnel (QAP)

SCCO

Senior Center Contracting Official (SCCO):

- Ensures Business Requirements and Advisory Group (BRAG) is established
- Ensures Quality Assurance Personnel (QAP) are trained and training is documented
- Ensures effective surveillance is accomplished

COCO

Chief of Contracting Office (COCO):

- approves Award Fee plan, if applicable.

FAC

Functional Area Coordinator (FAC):

- Assigns competent/capable functional experts to a Business Requirements and Advisory Group (BRAG) for business planning, market research, PSOW and QASP development, and contract management
- Appoints qualified Quality Assurance Personnel (QAP) and notifies CO, by letter, of appointment
- Ensures QAP has knowledge, technical training, and resources to evaluate contractor performance; point of contact for QAP training is Steve Warner/PKOS

BRAG

Business Requirements and Advisory Group (BRAG):

- Conducts business planning and develops acquisition strategy
- Conducts market research
- Assists in developing PSOW, including SDS, and QASP
- Assists in preparing Determination/Decision Document (DDD), if Advisory and Assistance Services (A&AS)

Contracting Officer

- Serves on BRAG to ensure required PR package, solici-tation, and resultant contract contain proper attachments, documentation, approval, terms, conditions, etc.
- Ensures performance is measurable and surveillance can be accomplished
- Ensures QASP is consistent with requirements of PSOW and SDS
- Signs and transmits QAP designation letter(s)
- Establishes procedures, with QAP, for review and submittal of contractor vouchers/invoices
- Awards contract

QAP

Quality Assurance Personnel (QAP) –
(formerly known as Functional Area Evaluator, Quality Assurance Evaluator, Contracting Officer's Representative, or Contracting Officer's Technical Representative):

- Appointed via Functional Area Coordinator (FAC) letter and designated via Contracting Officer letter
- Assists in developing/finalizing QASP
- Monitors contractor performance, maintain Surveillance Folder, and submit logs to FAC and CO for review
- Reviews/verifies accuracy of contractor invoices and submits IAW established procedures

PBSA Process

- Functional Area Coordinator (FAC) assigns functional experts to serve on BRAG; BRAG required for each PBSA
- Functional Area Coordinator (FAC) appoints Quality Assurance Personnel (QAP) and ensures training
- BRAG (including program manager or requirements initiator, QAP, and Contracting Officer):
  - **Conducts acquisition planning and market research**
  - **Develops PSOW, including SDS**
  - **Develops QASP**
  - **Develops solicitation**

DD Form 350 Coding

If processing a Performance-Based Services Acquisition (PBSA), Block “B1E” of DD Form 350 should be coded “YES”.

Useful Web Sites

- http://pkec.robins.af.mil/pr/pkpb/pkpmsc.htm
- http://afpubs.hq.af.mil/pubfiles/af/63/afi63-124/afi63-124.pdf
- http://www.acq.osd.mil/ar/doc/pbsaguide010201.pdf
- http://www.safaq.hq.af.mil/contracting/toolkit/part37/pbsc